

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 PA-01 USIA-06 PRS-01 FEA-01 AEC-05

AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00 EB-07

FPC-01 H-01 INR-07 INT-05 L-02 NSAE-00 NSC-05 OMB-01

PM-03 RSC-01 SAM-01 OES-03 SP-02 SS-15 STR-01 TRSE-00

FRB-03 /090 W

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R 041359Z FEB 75

FM AMEMBASSY LIMA

TO SECSTATE WASHDC 3753

AMEMBASSY CARACAS

LIMITED OFFICIAL USE LIMA 0923

E.O. 11652: N/A

TAGS: ENRG, PFOR, PE, VE

SUBJECT: PERUVIAN MINISTERIAL TEAM VISIT

REFS: LIMA 740, CARACAS 1190 AND 1232

1. MINES AND ENERGY MINISTER JORGE FERNANDEZ MALDONADO, UPON HIS RETURN TO LIMA FROM CARACAS, IN AIRPORT INTERVIEW STATED ON FEBRUARY 1 THAT THERE ARE "VARIOUS MEANS BY WHICH PERU CAN BUY OIL FROM VENEZUELA." ACCORDING TO PRESS ACCOUNTS, FERNANDEZ MALDONADO DECLINED TO DISCUSS CONVERSATIONS IN DETAIL UNTIL HE HAD REPORTED TO PRESIDENT VELASCO. ACCORDING TO "EL COMERCIO," THE MINISTER WAS VISIBLY "DISGUSTED" WHEN HE DENIED CABLED REPORTS FROM CARACAS THAT PERU HAD SOUGHT FINANCIAL SUPPORT FOR THE FINANCING OF THE NORTH PERUVIAN PIPELINE. "THIS INFORMATION DOES NOT ACCORD WITH THE TRUTH. AT NO TIME DID WE DISCUSS THIS SUBJECT AND I CHALLENGE THOSE NEWS AGENCIES WHICH SENT THIS INFORMATION TO CLARIFY THE TRUTH OF THE MATTER."

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2. IN ADDITION TO THE POSSIBILITY OF PETROLEUM IMPORTS FROM VENEZUELA, FERNANDEZ MALDONADO ALSO SAID DISCUSSIONS WERE HELD CONCERNING THE POSSIBILITY OF VENEZUELAN FINANCING OF THE PHOSPHATE DEPOSITS AT BAYOVAR. IN REGARD TO THIS POSSIBILITY, THE MINISTER SAID THAT CONVERSATIONS HAD BEGUN WITH THE "CORPORACION AUDINA DE FOMENTO" (CAF) AND THAT A CAF DELEGATION WOULD VISIT LIMA SHORTLY.

3. PRESS REPORTS CARRIED IN LIMA DAILIES ALSO QUOTE PRESIDENT PEREZ, IN CALI PAPER "EL PUEBLO", TO THE EFFECT THAT GOV DISCUSSED WITH PERUVIAN DELEGATION THE POSSIBILITY THAT "GOV WOULD SELL PETROLEUM TO PERU PAYING FOR IT PARTLY IN CASH AND DEFERRING PART PAYMENT WHICH WOULD BE IN FISH UNDER THE ASSUMPTION THAT ITS PRODUCTION WOULD SO PERMIT." PEREZ IS ALSO QUOTED AS SAYING, "WE ARE STUDYING THE POSSIBILITY OF DEVELOPING SEVERAL MIXED COMPANIES IN WHICH PERUVIAN AND VENEZUELAN PRODUCTION WOULD COMPLEMENT EACH OTHER."

COMMENT: IN CONTRAST TO THE "THUNDERING SILENCE" WITH WHICH VENEZUELAN PRESS TREATED PERUVIAN VISIT (CARACAS 1190), PERUVIAN PRESS HAS PLAYED UP VISIT AS A SUCCESS, ALTHOUGH IT APPEARS THAT PERUVIAN MINISTERS DID NOT COMPLETE THEIR DEAL ON OIL BEFORE DEPARTING CARACAS. GOP IS EXTREMELY SENSITIVE TO THE CHARGE THAT IT HAS NOT COMPLETED FINANCING FOR THE PIPELINE AND GIVEN EARLIER STATEMENTS BY GOP INDICATING THAT THERE MIGHT BE A DEFERRED PAYING IN PERUVIAN OIL FOR VENEZUELAN CRUDE TO MAKE UP PERU'S CURRENT DEFICIT, IT IS UNDERSTANDABLE THAT SOME CONFUSION IN THE PRESS AROSE OVER THIS ISSUE. PEREZ'S REFERENCE TO FISH, PRESUMABLY FISHMEAL, IS ALSO NOTEWORTHY, SINCE NO PERUVIAN TO OUR KNOWLEDGE HAS TO DATE CONTEMPLATED A FISH FOR OIL EXCHANGE. SHOULD SUCH A DEAL BE STRUCK, HOWEVER, IT MIGHT BE AN INDICATION THAT GOV DOES NOT BELIEVE PERU HAS NOW SUFFICIENT RESERVES OF PETROLEUM TO MEET INTERNAL NEEDS, PAY BACK THE JAPANESE FOR THEIR \$330 MILLION LOAN, AND FURNISH VENEZUELA WITH CRUDE AT SOME FUTURE DATE.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PRESS COMMENTS, GOVERNMENT PROCUREMENT, PETROLEUM, ECONOMIC ASSISTANCE, MINISTERIAL VISITS, PHOSPHATES  
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**Draft Date:** 04 FEB 1975  
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**Disposition Approved on Date:**  
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**Status:** NATIVE  
**Subject:** PERUVIAN MINISTERIAL TEAM VISIT  
**TAGS:** ENRG, PFOR, OVIP, PE, VE, (MALDONADO, FERNANDEZ)  
**To:** STATE CARACAS  
**Type:** TE  
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